IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF NORTH CAROLINA RALEIGH DIVISION JUN 2 9 2000

IN RE:)	PEGGY B. DEANS, CLERK U.S. BANKRUPICY COURT
INTERNATIONAL HERITAGE, INC.)	EASTERN DISTRICT OF N.C CASE NO. 98-02675-5-ATS
INTERNATIONAL HERITAGE, INCORPORATED,)	CHAPTER 7 CASE NO. 98-02674-5-ATS CHAPTER 7
Debtor.)	

DESIGNATION OF ITEMS TO BE INCLUDED IN RECORD ON APPEAL AND STATEMENT OF ISSUES

NOW COMES Stanley H. Van Etten and Wood & Francis, PLLC, and pursuant to Rule 8006 of the Bankruptcy Rules, provide the following Designation of Items to be included in the Record on Appeal and Statement of Issues:

Designation of Items to be Included in Record of Appeal

- 1. Trustee's Motion for Approval of Compromise and Settlement;
- 2. Order Allowing Motion for Approval of Compromise and Settlement;
- 3. Memorandum of Law in Opposition to Trustee's Motion for Approval of Compromise and Settlement; and
 - 4. Transcript of Hearing of May 31, 2000, before the Honorable A. Thomas Small.

STATEMENT OF ISSUES

1. Whether the Bankruptcy Court erred by entering the Order Allowing Motion for Approval of Compromise and Settlement and allowing the Trustee to waive the Debtors' attorney-client privilege?

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2. Whether the Bankruptcy Court violated the Fifth and/or Sixth Amendments of the United States Constitution by entering the Order Allowing Motion for Approval of Compromise and Settlement and allowing the Trustee to waive the Debtors' attorney-client privilege?

Respectfully submitted this the 29th day of June, 2000.

WOOD & FRANCIS, PLLC

Brent E. Wood

N.C. State Bar No. 16898 Two Hannover Square

424 Fayetteville Street, Suite 2300

Post Office Box 164

Raleigh, North Carolina 27602

Telephone: (919) 828-0801